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RECORD YEAR FOR OAT PRODUCTION

The latest figures from Statistics Canada show that this year's oat production on the Prairies could be at the highest level in three decades.

Saskatchewan's oat production is up 44 per cent from last year.

The Statistics Canada survey of over 3,000 Saskatchewan farmers pegs oat production in the province at 2.5 million tonnes.

Saskatchewan Oat Development Commission Executive Director Jack Dawes says strong market factors are driving an increase of over 35 per cent in harvested acres.

"The big thing is that oat prices went up quite substantially, and that, of course, always drives acres. The other thing to keep in mind is that oats have been one of the few profitable crops over the past few years," Dawes said.

"Partly because of the need for lower input costs, oats have been a real solid crop. Of course, there has been a lot of good export demand from the United States, so that has helped keep prices up."

The big American millers, including companies like General Mills and Quaker Oats, are major purchasers of Canadian oats.

"We grow the best oats, and there are very, very few oats of any quality being grown in the States. Since the early '90s, Canada has been the go-to market for the big players," Dawes said. "Right here in Yorkton, we have Grain Millers, and they have several plants in the U.S. So there are very strong customers for Canadian oats."

While production was up, Dawes says yields could have been better.

"From all indications, oats have been no different than any other crop in that what looked like big bushels back in June haven't panned out," he noted. "A lot of that has to do with the heat. My guess is that yields are going to come in somewhere around average, but the bushel weight is going to be down."

(more)

Some external market factors suggest that oat prices and the oat market will remain strong, with even an outside chance this year could actually see Canadian oats exported to Europe. Analysts predict that a bad crop year in Europe and an end to the European export subsidy for oats could create import demand for the Canadian product.

"There are always a number of factors, but it seems like a lot of them have come together at a good time for farmers who are looking to sell oats," said Dawes.

There are an estimated 14,000 oat producers in Saskatchewan, but the volume of oat production still pales in comparison to canola, barley and wheat.

The Statistics Canada survey also showed significant production increases this year in other crops. Pea production is expected to be about 2.4 million tonnes, thanks to a record harvested area of 2.9 million acres. Barley production increased by more than 850,000 tonnes to 4.3 million tonnes, with a 29-per-cent increase in the harvested area.

Statistics Canada will release final production numbers in early December.

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